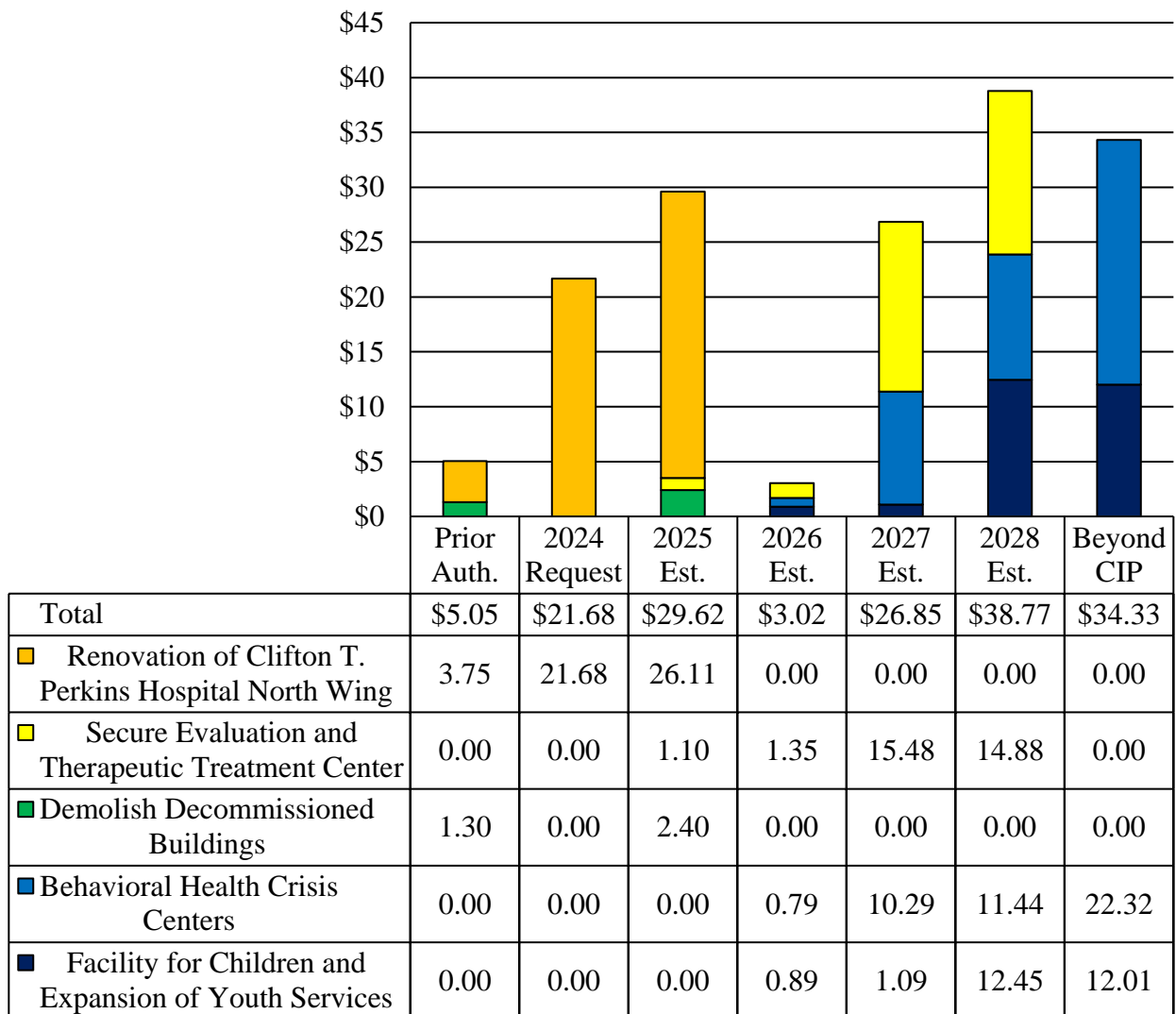


MA01
Maryland Department of Health – Capital

Capital Budget Summary

State-owned *Capital Improvement Program*
(\$ in Millions)



CIP: *Capital Improvement Program*

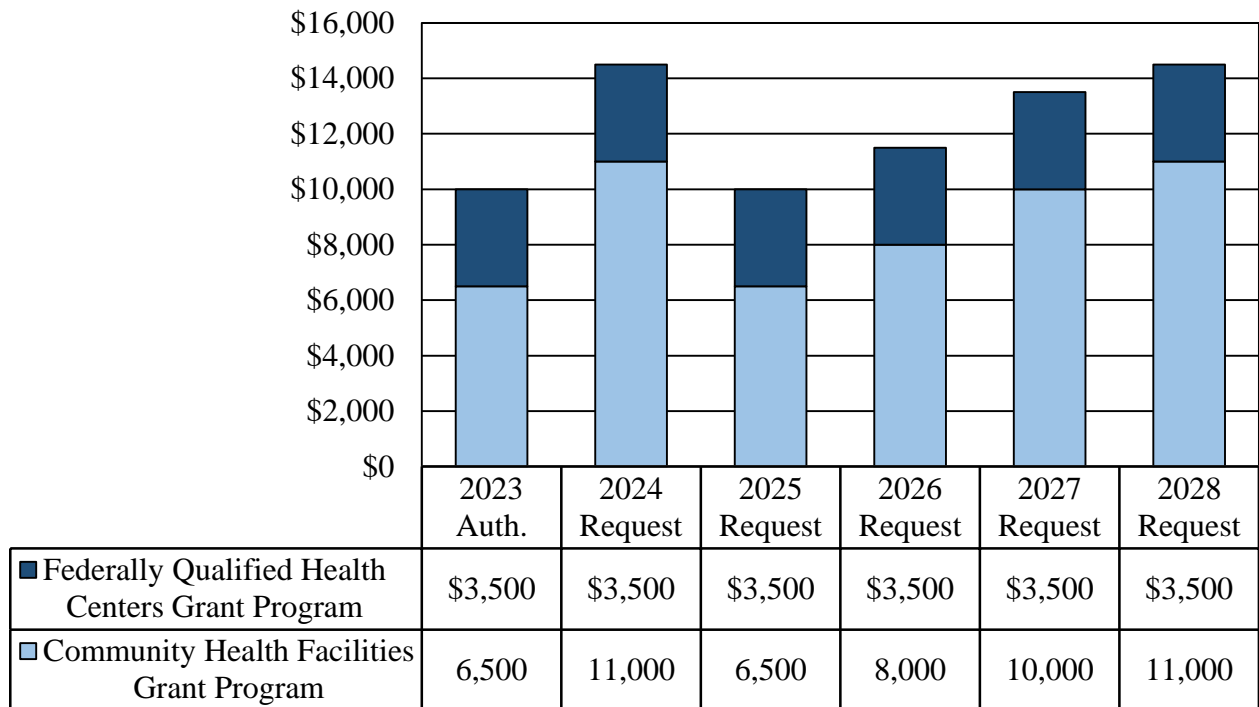
Note: All State-owned projects are funded with general obligation bonds.

For further information contact: Morgan T. Smith

Morgan.Smith@mlis.state.md.us

Analysis of the FY 2024 Maryland Executive Budget, 2023

Grant and Loan Capital Improvement Program
(\$ in Thousands)



Key Observations

- **Deferred Facilities Master Plan (FMP) Priorities:** The Behavioral Health Crisis Centers have been deferred to fiscal 2026 due to other capital priorities. Additionally, funding for the demolition of decommissioned buildings has been deferred from fiscal 2024 to 2025, due to reductions of the project scope.
- **New Capital Priorities:** In fiscal 2025, funding has been added to construct the new Secure Evaluation and Therapeutic Treatment Center (SETT) facility. This building will be adjacent to the Clifton T. Perkins Hospital Center. Additionally, funding has been added in fiscal 2026 to construct a new Facility for Children and expand the Youth Support Services on the campus of the Regional Institute for Children and Adolescents (RICA) of Baltimore.

GO Bond Recommended Actions

1. Approve all proposed general obligation bond authorizations and proposed preauthorizations.

2. Adopt the following narrative:

Report on Updates to the Facilities Master Plan (FMP): The Maryland Department of Health’s (MDH) 2041 FMP recommends the divestiture and decommissioning of MDH-operated facilities as well as integral renovations and construction projects to maintain quality of care. Due to changes in the timeline of projects and emerging priorities, MDH should submit a report to the budget committees that includes the following:

- any changes in the priority of projects of the new Administration;
- an updated timeline and cost estimate for projects included in the FMP;
- a plan for continuing to provide patient care when facilities are decommissioned or relocated;
- a plan for the transition of patient care to community providers;
- an assessment of the capacity of community providers to accept an influx of patients; and
- a future employment plan for all current MDH employees that work at facilities that are being decommissioned or relocated.

Information Request	Author	Due Date
Report on updates to the FMP	MDH	November 1, 2023

Updates

- ***Crownsville Hospital Center Sold to Anne Arundel County:*** Crownsville Hospital Center was sold to Anne Arundel County for \$1 with the stipulation that it would be used for government-related purposes. The current plan for the hospital grounds includes a memorial park and trails, with \$25.5 million authorized to Anne Arundel County for this purpose in fiscal 2023 and another \$5 million budgeted in fiscal 2024, consistent with a preauthorization for this amount included in the 2022 session capital budget bill.
- ***Spring Grove Hospital Center Transferred to University of Maryland Baltimore County (UMBC):*** In alignment with the Maryland Department of Health’s (MDH) 2041 FMP, Spring Grove Hospital Center was transferred from MDH to UMBC. The lease allows MDH to operate and maintain the facility until completely vacated, at which point the lease will terminate, and UMBC will be given title to the property.

Summary of Fiscal 2024 Funded State-owned Projects

The 2023 *Capital Improvement Program* (CIP) includes one State-owned project that has received prior funding – the Renovation of Clifton T. Perkins (Perkins) Hospital North Wing. The current request includes \$21.7 million in general obligation bonds to fund the remaining design costs and begin construction.

Renovation of Clifton T. Perkins Hospital North Wing

Project Summary: This project will renovate the 80-bed North Wing at Clifton T. Perkins Hospital Center in Jessup to a maximum-security level and construct a new food service center in the maximum-security wing.

New/Ongoing: Ongoing	
Start Date: September 2021	Est. Completion Date: July 2025

Fund Sources:								
(\$ in Millions)	Prior Auth.	2024	2025	2026	2027	2028	Beyond CIP	Total
GO Bonds	\$3.750	\$21.680	\$26.110	\$0.000	\$0.000	\$0.000	\$0.000	\$51.540
Total	\$3.750	\$21.680	\$26.110	\$0.000	\$0.000	\$0.000	\$0.000	\$51.540

Fund Uses:								
(\$ in Millions)	Prior Auth.	2024	2025	2026	2027	2028	Beyond CIP	Total
Planning	\$3.750	\$0.349	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$4.099
Construction	0.000	21.330	21.110	0.000	0.000	0.000	0.000	42.440
Equipment	0.000	0.000	5.000	0.000	0.000	0.000	0.000	5.000
Total	\$3.750	\$21.680	\$26.110	\$0.000	\$0.000	\$0.000	\$0.000	\$51.540

- Need:** Perkins is the only forensic maximum-security psychiatric treatment facility in Maryland. The facility has been seeing an increase in the average length of stay of patients, a lack of capacity for court-ordered patient admissions, increased wait times, and patient censuses beyond budgeted bed counts. If the North Wing is not renovated for maximum-level occupancy and current growth of patient census continues, Perkins and MDH will have no maximum-level beds available for admission of court-ordered forensic maximum-level patients.
- Project Status and Schedule:** The fiscal 2024 programmed funds will be used to finish design and begin construction; \$21,109,000 was preauthorized for this purpose in fiscal 2025.

- **Changes:** The scope of this project has changed to include nine additional cost items, including items such as securing the perimeter fence and the replacement of skylights. These additional cost items increased the total project cost by approximately \$3 million. Additional kitchen equipment cost estimates have increased by \$4 million.
- **Concerns:** The estimate upon which the project budget is based was made at the 50% construction document stage in fall 2022. After much delay, the design phase is expected to be completed in March 2023, at which time a more reliable 95% construction document estimate should be made available and evaluated to ensure that the State provides sufficient authorization and preauthorization for the project to be bid and awarded as currently scheduled in July 2023. Accounting for current construction climate with high construction inflation and supply chain difficulties, it is imperative that the cost estimate for this project be as up to date as possible to avoid the potential delays that an insufficient level of funding could cause in the bidding and awarding of the construction contract. This would also help avoid the potential need to draw from the Construction Contingency Fund immediately in the fiscal year, when there is time now to evaluate and budget the funds necessary to fund construction. **MDH and the Department of General Services should advise the committees on the availability of the 95% construction document estimate and whether the proposed authorizations and preauthorizations will be sufficient to award the construction contract in July 2023 as scheduled.**

Summary of Fiscal 2024 Out-year State-owned Projects

Included in the 2023 CIP are four out-year State-owned projects, with only one having received prior funding – Demolish Decommissioned Buildings at MDH facilities. The other three – SETT Center, Facility for Children and Expansion of Youth Support Services, and Behavioral Health Crisis Centers – will be receiving funding for the first time in the out-years.

Demolish Decommissioned Buildings

The purpose of this long-range project is to systematically identify and demolish vacant MDH buildings that are no longer in use and are not able to be renovated due to fiscal, operational, or health-safety constraints. This project would ensure buildings were demolished and cleared to make room for new MDH facilities to be built in their place as outlined in the MDH 2041 FMP. Prior authorizations for this purpose total \$1.3 million, and an additional \$2.4 million is preauthorized in the 2023 CIP for fiscal 2025. This is a minor change from previous CIPs where funding for this purpose was allocated in fiscal 2024, but changes in the availability of prior authorized funds, a reduction in scope, and related schedule delays resulted in a one-year deferment of the project. MDH intends to prioritize the demolition of Perkins Hospital Center’s Dormitory Buildings 1 and 2 as well as the RICA – Baltimore Old Dormitory Building. While no funding is programmed beyond fiscal 2025, as sites are identified and evaluated for demolition, the project will be added to the program and necessitate funding not currently programmed in the CIP.

Secure Evaluation and Therapeutic Treatment Center

Funding for the construction of a new SETT Center facility has been added to the 2023 CIP, beginning in fiscal 2025. This project will provide a location for treatment and evaluation services to support court-ordered individuals with developmental and intellectual disabilities. These individuals are those who have been designated Incompetent to Stand Trial, Not Criminally Responsible, or been ordered for a pre-trial evaluation by the courts. This facility will replace facilities at Potomac Center and will be adjacent to the Perkins Hospital Center, the only forensic maximum-security psychiatric facility in the State. The new SETT unit is an accelerated priority in the MDH FMP to allow Perkins to share resources for patient care. The total cost of the project is expected to surpass \$32 million, with \$1.1 million programmed in fiscal 2025.

Facility for Children and Expansion of Youth Support Services

The Facility for Children and Expansion of Youth Support Services is a new program in the 2023 CIP and its primary function is to expand the RICA – Baltimore campus to include an 18-bed Facility for Children and another 18-bed Youth Support Services building. This project would allow MDH to have a space to support children and adolescents while they receive competency evaluations as ordered by the court system of Maryland. It would also allow for these children to receive residential treatment center-level care that they would not qualify for otherwise. The Youth Support Services facility intends to serve those with severe behavioral and emotional challenges, providing services that other MDH facilities do not have the capacity to provide. Initial funding begins in fiscal 2026 at \$889,000, with project totals estimated at \$26,437,000.

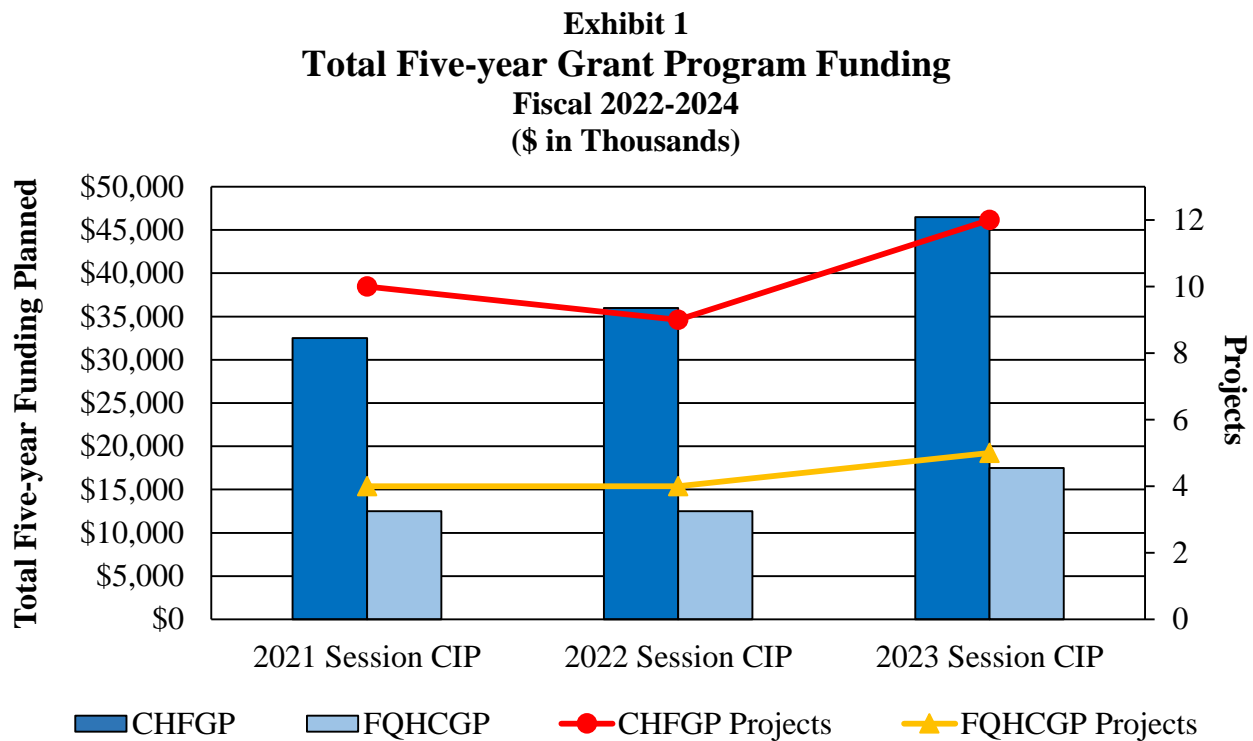
Regional Behavioral Health Crisis Centers

The Behavioral Health Crisis Centers project was initially to be funded in fiscal 2023. However, legislative concerns about the FMP resulted in the deferral of funding, and it is reprogrammed for initial design funding in fiscal 2026. This project will construct four 24-hour facilities throughout the State in each of the major regions to provide immediate treatment for adults experiencing behavioral health crises. These centers are expected to lower the use of emergency departments for these health episodes and allow for targeted short-term stays rather than inpatient hospital admissions. Initial funding for design totals \$788,000, and the total estimated cost of the project is \$45.8 million.

Budget Overview of Grant and Loan Programs

The Community Health Facilities Grant Program (CHFGRP) and the Federally Qualified Health Centers Grant Program (FQHCGP) continue with State funding limits at 90%. In fiscal 2024, approximately half of CHFGRP grants are State-funded at 90% through MDH. The projects may also receive State funding from other sources. Both programs are part of an effort to increase capacity to serve individuals in the community, provide care in the prevention of mental health and substance abuse crises, and reduce the frequency of hospital overstay.

Exhibit 1 illustrates community-based behavioral health service development goals suggested in the FMP and now apparent in the 2023 session CIP through increased total funding for both grant programs. Total five-year spending for the CHFGRP increases almost 30% over the five-year funding level programmed in the 2022 session CIP and 43% more than what was programmed in the 2021 session CIP. Total five-year spending for the FQHCGP increases 40%, from \$2.5 million to \$3.5 million annually.



CHFGRP: Community Health Facilities Grant Program

CIP: *Capital Improvement Program*

FQHCGP: Federally Qualified Health Centers Grant Program

Source: 2021-2023 session *Capital Improvement Program*

Exhibit 1 also shows that the increase in funding provides for limited expansion in the number of projects authorized and funded through these grant programs. While total five-year funding for CHFGP projects increased 43% from fiscal 2022 to 2024, the number of projects only increased 20%, from 10 to 12. Similarly, while FQHCGP funding increases 40% in fiscal 2024, the number of projects increases only 25%, from 4 to 5.

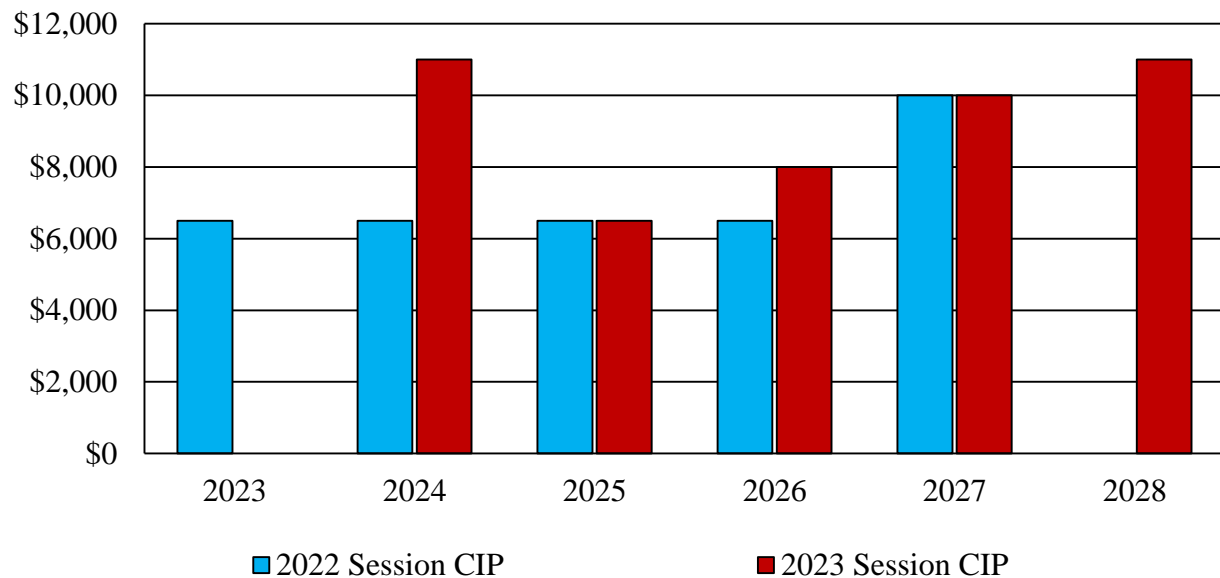
Community Health Facilities Grants Program

Program Description: The CHFGP provides capital grants to nonprofit organizations for the acquisition, design, construction, renovation, and equipping of facilities used to provide mental health, developmental disabilities, and substance use disorder treatment services.

- ***Needed Access to Housing Units:*** Increasing access to affordable housing for individuals with mental health, substance-related, or co-occurring disorders has been a long-standing priority for the Behavioral Health Administration (BHA). Through supportive housing programs, individuals with psychiatric disabilities may access an array of flexible services and supports to enable them to live independently. Applications are prioritized to further implement strategies and achieve outcomes related to housing.
- ***Reduction of Long-term Census in State-owned Psychiatric Hospitals:*** An additional priority for BHA remains the reduction of the long-term census in State-owned psychiatric hospitals. Increased access to affordable housing allows individuals to gain greater independence by moving from Residential Rehabilitation Programs (RRP), which assist individuals in the process of moving toward independent living. Since many of the individuals to be discharged from State-owned hospitals require an RRP placement, reduction of the census is most often dependent upon the availability of RRP beds. As residents of RRP move into the community, vacated RRP beds create capacity for those who are ready to transition from State-owned psychiatric hospitals to a less restrictive and supervised RRP setting. The availability of intensive-level RRP beds relies upon the development of safe, affordable, supported housing in the community for RRP residents to move to, especially units with ongoing rent subsidies.

A concern with the most recent CIP plan is that it does not dedicate sufficient resources to expedite development in community housing. The planned investment in CHFGP funding is shown in **Exhibit 2**. While the fiscal 2024 funding level almost doubles what was planned, the current CIP programs a return to a \$6.5 million funding level in fiscal 2025 with modest incremental growth over fiscal 2026 to 2028. A more immediate concern is that several of the proposed fiscal 2024 projects are programmed to receive additional State funding support estimated at \$18.6 million against only \$14.5 million of programmed funding in fiscal 2025 and 2026 combined. While the future commitments are likely to be spread out over two or perhaps three fiscal years, this will likely inhibit program growth and compromise the ability to increase the number of projects supported through the program, absent additional State funding above programmed levels.

Exhibit 2
GO Bond Funding for the Community Health Facilities Grant Program
2022-2023 Session CIP Comparison
(\$ in Thousands)



CIP: *Capital Improvement Program*
GO: *general obligation*

Source: 2022-2023 session *Capital Improvement Program*

MDH should comment on what barriers exist to further increasing project load and funding and reasons for concentration of new funding in fiscal 2024.

Projects Selected: The fiscal 2024 budget provides \$11 million for the CHFGRP to fund a selection of 12 projects listed in **Exhibit 3**, including 2 regional projects and 4 projects in Montgomery County, 2 projects in Baltimore City, and the remainder in Anne Arundel, Carroll, Queen Anne’s, and Wicomico counties.

Exhibit 3
Projects Funded by the Community Health Facilities Grant Program
(\$ in Thousands)

<u>Project and Description</u>	<u>Total Cost</u>	<u>Prior Auth.</u>	<u>Fiscal 2024</u>	<u>Future Request</u>
Opportunity Ministries, Inc. – Recovery Residence Renovation (Anne Arundel): Renovation project to accommodate 15 male residents. Renovations include accessibility modifications and redesign of the floor layout for eight bedrooms and community gathering spaces.	\$788	\$0	\$709	\$0
Mosaic Community Services, Inc. – New Permanent Supported Housing (Baltimore City): Construction of permanent housing for 8 to 12 low-income adults with serious mental illness in Baltimore City, estimated in the long run to serve approximately 42 individuals.	13,889	0	1,127	373
Tuerk House, Inc. – New Treatment Service Facility (Baltimore City): Construct a new building on the property at 5663 Purdue Avenue in the Woodbourne Heights Neighborhood of North Baltimore. The new structure is intended to expand capacity for residential treatment services with 32 new beds.	15,336	0	1,500	9,235
Carroll County Youth Services Bureau (CCYSB) – Mental Health Facility Renovation and Addition (Carroll): Expansion of space for CCYSB’s Assertive Community Treatment, Connecting Youth, and Family Engagement programs.	5,131	0	1,000	3,618
Cornerstone Montgomery, Inc. – Central Hub Renovation (Montgomery): Renovation of the Knoll service hub, which serves as many as 1,000 clients each year. The renovation is projected to allow for service to 100 more clients per year and help reduce the number of hospitalizations.	2,000	0	1,000	500

MA01 – Department of Health – Capital

<u>Project and Description</u>	<u>Total Cost</u>	<u>Prior Auth.</u>	<u>Fiscal 2024</u>	<u>Future Request</u>
Cornerstone Montgomery, Inc. – Residential Rehabilitation Program (RRP) and Residential Crisis Program (RCS) Renovations (Montgomery): Renovation and improvement of facilities at seven houses in its RRP and RCS, all located in Montgomery County. Updates will be made to the following outdated systems and fixed equipment/furnishings, which have reached their expected useful lifespan: HVAC systems; kitchens; baths; flooring; roofing; and windows/patio doors.	1,147	0	575	0
Department of Health and Human Services, Montgomery County – New Restoration Center (Montgomery): Restoration Center will operate 24/7/365 with 100% admission rate and a “no wrong” door policy. It will offer three types of services with a total capacity of 45 clients at any time: (1) 5 recliners for initial assessment and triage; (2) 20 recliners for 23-hour observation and sobering; and (3) 20 beds for sub-acute stabilization for mental health or substance-related disorders.	12,632	0	1,200	4,863
Rock Creek Foundation – Residential Houses Renovation (Montgomery): Renovation of three homes that promote independent living for people with disabilities.	124	0	112	0
Chesterwye Center, Inc. – Hub and Homes Renovations (Queen Anne’s): Renovation of three properties, including the Meaningful Day Hub and two homes for Americans with Disabilities Act compliance.	667	0	600	0
Lower Shore Clinic, Inc. – New Mental Health Facility (Wicomico): Co-occurring Disorder Treatment Facility project addresses the need for appropriate space to provide services in (1) a day program setting including programmatic meeting space, wellness activity space, and food distribution (via the federal food program) and (2) a mental health and substance use disorder counseling clinic providing day, evening, and weekend hours for both one-on-one and group counseling sessions.	2,173	0	1,346	0

MA01 – Department of Health – Capital

<u>Project and Description</u>	<u>Total Cost</u>	<u>Prior Auth.</u>	<u>Fiscal 2024</u>	<u>Future Request</u>
Chesapeake Neighbors, Inc. – Affordable Housing Acquisition (Regional): Acquisition of eight units of housing to expand supported living options for adults with Intellectual/Developmental Disabilities at or below 30% area median income.	942	0	848	0
People Encouraging People, Inc. – Affordable Housing Units Renovation (Regional): Repair and update of existing affordable rental properties. The funding will be used to address its Glen Avenue and Gwynn Oak properties along with a number of existing affordable rental properties. All are mostly older, have costly repairs, and require an upgrade of aged systems as well as an enhancement to their overall property as a whole. There are 22 properties in total.	1,173	0	997	0
Total	\$56,002	\$623	\$11,014	\$18,589

Source: Fiscal 2024 Capital Improvement Program

Federally Qualified Health Centers Grant Program

Program Description: The FQHCGP provides grants to private nonprofit organizations that have been designated by the federal government as federally qualified health centers. The centers, which must offer services to all persons regardless of their insurance status or ability to pay, provide primary, preventive, and specialty health care services in medically underserved areas throughout the United States. The State provides grants for up to 90% of eligible capital costs for the acquisition, design, construction, renovation, and equipping of FQHCGP facilities.

In February 2022, there were 22 FQHCGP organizations serving the State, including 1 urban Native American clinic in Baltimore City; 3 clinics based near Washington, DC; telehealth clinics in Montgomery and Prince George’s counties; and 1 rural health clinic in Washington County. These organizations provide a network of administrative and service delivery sites across Maryland, including dental, mental health, and/or primary care services. To qualify for designation as a federally qualified health center, an area must first be designated by the federal government as a Medically Underserved Area or serve a Medically Underserved Population based on criteria established by the U.S. Department of Health and Human Services.

Projects Selected: All five project requests shown in **Exhibit 4** were approved for funding.

Exhibit 4
Projects Funded by the Federally Qualified Health Centers Grant Program
(\$ in Thousands)

<u>Project and Description</u>	<u>Total Cost</u>	<u>Prior Auth.</u>	<u>Fiscal 2024</u>	<u>Future Request</u>
Park West Health System, Inc. – Outpatient Building Addition and Renovation (Baltimore City): Construct and equip a 17,030 gross square feet new addition to the building owned by Park West Health System, Inc. and renovate 12,606 square feet of the existing second and third floors of the building.	\$15,459	\$1,817	\$1,383	\$0
Total Health Care, Inc. – Site Renovation and Expansion (Baltimore City): The project renovates the interior of the first and second floors of Total Health Care’s facility to remodel and upgrade the medical/counseling/administrative area. The project will increase the site capacity by adding 5 additional medical examination rooms and 12 private counseling spaces.	2,039	0	117	1,029
Choptank Community Health Systems, Inc. – New Medical Care Facility (Caroline): Construct a new one floor, approximately 21,000 net square feet/25,000 gross square feet facility on Hayman Drive in Federalsburg for Choptank Community Health Systems, Inc. The new facility will replace the current existing facility located at 215 Bloomingdale Avenue in Federalsburg.	8,824	0	1,000	500
Greater Baden Medical Services, Inc. – New Clinic Facility (Prince George’s): Acquire and construct a new 40,000 gross square feet facility located at Ritchie Station Court in Capital Heights for Greater Baden Medical Services, Inc.	3,106	0	500	1,500
Three Lower Counties Community Services, Inc. d/b/a Chesapeake Health Care – Expansion (Worcester): Acquire a medical facility that is adjacent to space currently leased by Three Lower Counties Community Services Inc. at 9958 North Main Street in Berlin, Maryland 21811. The purchase of this property will expand and increase access to mental health and primary care services.	578	0	520	0
Total Costs	\$30,006	\$1,817	\$3,520	\$3,029

Source: Fiscal 2024 *Capital Improvement Program*

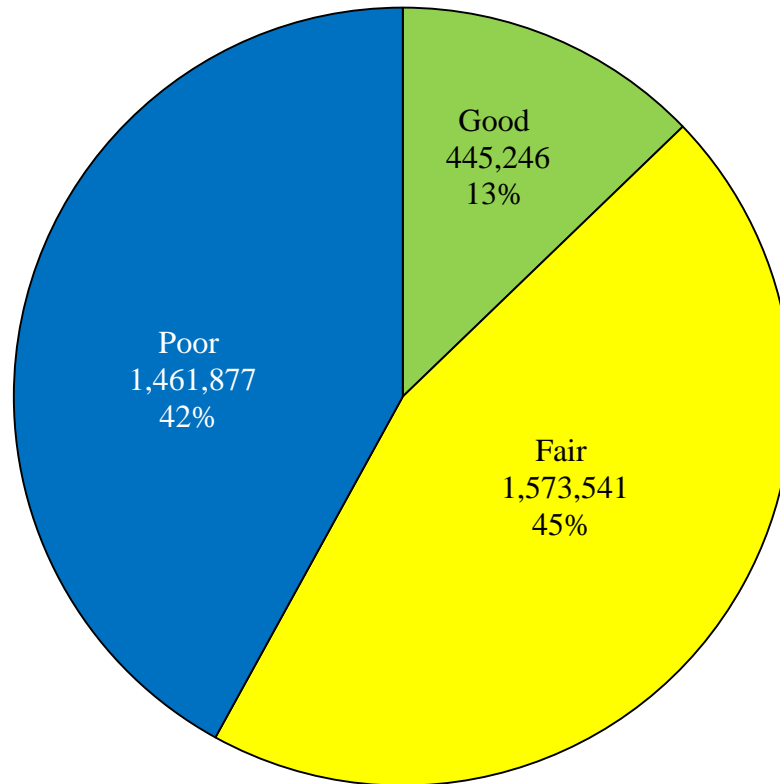
Issues

1. Changes Made to Facility Master Plan Priorities

MDH was required by the 2018 *Joint Chairmen's Report* to submit a FMP on October 1, 2018. This report was submitted on September 2, 2021, and reflected requirements from the Department of Budget and Management for such plans and aligned with the conceptual FMP. The FMP encompasses facilities that exist in four service silos, including inpatient behavioral health, RICA, residential facilities for individuals with developmental disabilities, and chronic care services. The purpose of the plan was to align MDH-operated facilities with current and projected patient care needs and modernizing models of care. This includes decommissioning buildings not in use or those unable to be renovated, building new facilities that can provide a higher quality of care in more convenient locations, and reducing costs across the department wherever possible.

Of the 14 facilities MDH operates throughout the State, 3 have been closed or leased. The FMP outlines the decommissioning and divestiture of these facilities as a priority. Each of the remaining 11 facilities was assessed on its functionality, whether it was structurally sound, how it was interacting with the environment, and any upgrades that would be necessary to keep it providing adequate levels of care to patients. **Exhibit 5** shows the facility square footage by average ranking. MDH's current facilities encompass nearly 3.5 million square feet, with 87% of that square footage being rated average or poor. Only 13%, or 445,246 square feet, currently operate with limited renovation needs.

Exhibit 5
Maryland Department of Health Facility Square Footage by Rating



Note: The ratings and square footage amounts are as of the submission of the Facilities Master Plan in September 2021.

Source: Maryland Department of Health

The FMP aimed to divest from unused facilities or decommission buildings unable to be renovated, construct new facilities, and develop strategic partnerships with community providers to transition services by 2041. **Exhibit 6** provides the initial timeline outlined by the FMP, which begins in fiscal 2021 and ends in fiscal 2041, compared with projects currently in the CIP. Within the 2023 CIP, funding has been set aside for the construction of the Facility for Children and the SETT Unit in fiscal 2026 and 2025, respectively. This is an acceleration of these projects from Phase 2 into Phase 1, and an additional building for Youth Support Services was added alongside the Facility for Children as a new departmental priority. These projects are moving independently from others outlined in the FMP to addresses urgent capacity needs and will help deliver emergent services for young Marylanders who are experiencing behavioral health crises. Finally, the ongoing decommissioning of buildings and the construction of the 24-hour crisis centers were deferred to the end of Phase 1.

Exhibit 6
Facilities Master Plan Timeline
Fiscal 2021-2041

Phase 1: 2022-2026

<u>Then</u>	<u>Now</u>
Divestiture of Crownsville, Regional Institute for Children and Adolescents Southern Maryland, and Upper Shore Community Mental Health Center	Divestiture of Crownsville, Regional Institute for Children and Adolescents Southern Maryland, and Upper Shore Community Mental Health Center
Construction of four 24-hour Crisis Centers located in major regions of Maryland	Construct the Facility for Children and the new SETT Unit Facility; Addition of Youth Support Services facility
Identify strategic partnerships to transition services at Deer’s Head and Western Maryland Hospital Centers	Renovations of Clifton T. Perkins Hospital Center
Consolidate MDH Behavioral Health Administration office spaces to Baltimore Central Business District	Construction of four 24-hour Crisis Centers located in major regions of Maryland
Perform an assessment of the Central Maryland Inpatient Behavioral Health Capacity	

Phase 2: 2027-2031

Construct the Facility for Children and the new SETT Unit Facility	Construct a replacement hospital at Springfield Hospital Center in Sykesville
Construct a replacement hospital at Springfield Hospital Center in Sykesville	

Phase 3: 2032-2041

Renovate Holly Center	Renovate Holly Center
Identify strategic partnerships to transition services currently provided at Potomac Center and Spring Grove Hospital Center	Identify strategic partnerships to transition services currently provided at Potomac Center and Spring Grove Hospital Center

MDH: Maryland Department of Health

SETT: Secure Evaluation and Therapeutic Treatment Center

Note: Green text indicates that a project programmed in a certain phase has been accelerated.

Source: Maryland Department of Health

Due to these changes and recognizing that several of the items that were deferred were key elements of the original plan that were subsequently put on hold, the Department of Legislative Services (DLS) is concerned about the scope of the FMP. The original plan was predicated on the reduction of costs, the elimination of deadweight facilities, and a movement to community-based care, and it is currently unclear how the deferment of projects and acceleration of new priorities will meet those goals. **MDH should brief the committees on the department's plans to update the FMP in line with the new Administration's priorities, especially with respect to moving patients out of State-run facilities and into community-based care, and potential privatization options.**

Much of the FMP is centered around modern models of care, including serving individuals within their communities. Community-based providers are the backbone of many services provided throughout MDH, including in the behavioral health, developmental disabilities, and other Medicaid-related waiver programs. However, the State has been seeing a decline in the number of direct-care professionals while provider rates have struggled to keep up with inflation and the rising demand on the remaining staff. DLS remains concerned about whether home- and community based (HCBS) providers will have the capacity to accept new patients and be able to provide the same level of support consumers currently receive in MDH-operated facilities, including the proximity to integral health services like dialysis. **MDH should comment on whether the plan to transition care to community-based providers is still a priority, whether an assessment on the capacity of HCBS providers to accept an influx of patients has been completed, and how transitioning consumers to private providers will impact State employees.**

Appendix 1
Executive’s Operating Budget Impact Statement – State-owned Projects
Fiscal 2024-2028
(\$ in Thousands)

	2024	2025	2026	2027	2028
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Renovation of Clifton T. Perkins Hospital North Wing						
	Estimated Operating Cost			\$543.000	\$1,019.000	\$0.000
	Estimated Staffing			31.0	31.0	0.0

It is estimated that a renovated Clifton T. Perkins and new associated food services center building will require 31 additional positions at a cost of \$535,000 in fiscal 2026 and fully annualized at over \$1.0 million in fiscal 2027.